EXECUTIVE SUMMARY - ENFORCEMENT MATTER

Page 1 of 2

DOCKET NO.: 2007-0793-AIR-E **TCEQ ID:** RN100542661

CASE NO.: 33521

RESPONDENT NAME: Atmos Energy Corporation

| ORDER TYPE: | | | | | | | |
|---|--|--|--|--|--|--|--|
| X 1660 AGREED ORDER | FINDINGS AGREED ORDER | FINDINGS ORDER FOLLOWING SOAH HEARING | | | | | |
| FINDINGS DEFAULT ORDER | _SHUTDOWN ORDER | IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER | | | | | |
| AMENDED ORDER | EMERGENCY ORDER | | | | | | |
| CASE TYPE: | | | | | | | |
| <u>X</u> AIR | MULTI-MEDIA (check all that apply) | INDUSTRIAL AND HAZARDOUS WASTE | | | | | |
| PUBLIC WATER SUPPLY | PETROLEUM STORAGE TANKS | OCCUPATIONAL CERTIFICATION | | | | | |
| WATER QUALITY | SEWAGE SLUDGE | UNDERGROUND INJECTION CONTROL | | | | | |
| MUNICIPAL SOLID WASTE | RADIOACTIVE WASTE | DRY CLEANER REGISTRATION | | | | | |
| TYPE OF OPERATION: Natural gas stora SMALL BUSINESS: YesX OTHER SIGNIFICANT MATTERS: The facility location. INTERESTED PARTIES: No one other th COMMENTS RECEIVED: The Texas Reg CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator TCEQ Enforcement Coordinator David Van Soest, Enforcement Div | SITE WHERE VIOLATION(S) OCCURRED: New York Storage Compressor Station, 1777 Lone Star Road, Henrietta, Clay County TYPE OF OPERATION: Natural gas storage station SMALL BUSINESS: Yes X No OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location. INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter. COMMENTS RECEIVED: The Texas Register comment period expired on October 8, 2007. No comments were received. CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Ms. Miriam Hall, Enforcement Division, Enforcement Team 4, MC 149, (512) 239-1044; Mr. David Van Soest, Enforcement Division, MC 219, (512) 239-0468 Respondent: Mr. Bob Bennett, Manager, Environmental Services, Atmos Energy Corporation, 5420 Lyndon B. Johnson Freeway, Suite 1820, Dallas, Texas 75240 | | | | | | |

RESPONDENT NAME: Atmos Energy Corporation **DOCKET NO.:** 2007-0793-AIR-E

| VIOLATION SUMMARY CHART: | | | | | |
|--|--|--|--|--|--|
| VIOLATION INFORMATION | PENALTY CONSIDERATIONS | CORRECTIVE ACTIONS TAKEN/REQUIRED | | | |
| Type of Investigation: Complaint | Total Assessed: \$2,392 | Corrective Actions Taken: | | | |
| Routine Enforcement Follow-up X Records Review | Total Deferred: \$478 X Expedited Settlement | The Executive Director recognizes that on May 29, 2007, Atmos Energy submitted a revised Annual Compliance Certification | | | |
| Date(s) of Complaints Relating to this Case: None | Financial Inability to Pay SEP Conditional Offset: \$0 | and Deviation Reports for the period December 4, 2005 through December 3, 2006 as a corrective measure at the Plant. | | | |
| Date of Investigation Relating to this Case: April 3, 2007 | Total Paid to General Revenue: \$1,914 | The state of the s | | | |
| Date of NOV/NOE Relating to this Case: April 19, 2007 (NOE) | Site Compliance History Classification High X Average Poor | | | | |
| Background Facts: This was a routine record review. Two violations were | Person Compliance History Classification High X Average Poor | | | | |
| documented. | Major Source: X Yes No | egeneral eg | | | |
| AIR | Applicable Penalty Policy: September 2002 | | | | |
| 1) Failed to submit a Semiannual Deviation Report for the period December 4, 2005 through June 3, 2006. Specifically, Atmos Energy had an emissions event December 16-21, 2005 but did not submit a Semiannual Report [30 Tex. Admin. Code § 122.145(2)(A), General Operating Permit No. 514, Condition (b)(2), and Tex. Health & Safety Code § 382.085(b)]. | | | | | |
| 2) Failed to submit a complete Annual Compliance Certification for the period December 4, 2005 through December 3, 2006. Specifically, Atmos Energy had an emissions event December 16-21, 2005 but did not list the deviation on the Annual Compliance Certification [30 Tex. ADMIN. CODE § 122.146(5)(C), General Operating Permit No. 514, Condition (b)(2), and Tex. HEALTH & SAFETY CODE § 382.085(b)]. | | | | | |
| | ` | | | | |

Additional ID No(s).: CL0007O

| | Penalty Calculatio | n Worksheet (Po | • | |
|---------------------------------|--|--|---|--|
| Policy Revision 2 (Sept | ember 2002) | | PCW Revisio | n April 26, 2007 |
| TCEQ | | and the state of t | ************************************** | |
| DATES Assigned PCW | | EPA Due | | |
| PCW | 24-May-2007 Screening 16-May-2007 | | *************************************** | y - was waste and a specific and a s |
| RESPONDENT/FACILITY | INFORMATION | | | |
| Respondent | Atmos Energy Corporation | , julija jaroja (d. 1949) sajan jaroja (d. 1949) sajan) | | 7 |
| Reg. Ent. Ref. No. | RN100542661 | | | |
| Facility/Site Region | | Major/Minor Source | Major | |
| | | | | |
| CASE INFORMATION | | | | _ |
| Enf./Case ID No. | 33521 | No. of Violations | | - 1 |
| | 2007-0793-AIR-E | Order Type Enf. Coordinator | | |
| Media Program(s) Multi-Media | All | | EnforcementTeam 4 | |
| Admin. Penalty \$ I | _imit Minimum \$0 Maximum | \$10,000 | | |
| Admin. I Charty V | Ψ σ | | | gammananan arangan s |
| | Penalty Calcula | ation Section | | and WANTE |
| w i w | | in the companion of the property of the companion of the | | |
| TOTAL BASE PENAL | TY (Sum of violation base penaltic | es) | Subtotal 1 | \$2,600 |
| (o=\t=\t=\ | TO OURTOTAL A STREET | | | |
| ADJUSTMENTS (+/-) | ned by multiplying the Total Base Penalty (Subtotal 1) b | withe indicated percentage | | |
| Compliance Histo | | Enhancement Subto | otals 2, 3, & 7 | \$52 |
| Compliance thet | Ĭ. | | | |
| Notes | The penalty was enhanced for or | ne unrelated NOV. | | |
| | | | | |
| C. In ability | No 24 in 25 and 27 0% | • Enhancement | Subtotal 4 | \$0 |
| Culpability | 100 10 mg | o Limancerneix | | |
| Notes | The Respondent does not meet th | ne culpability criteria. | | |
| | | | | - |
| Good Faith Effor | t to Comply 10% | 6 Reduction | Subtotal 5 | \$260 |
| Good Faith Ellor | Before NOV NOV to EDPRP/Settlement Offer | | | |
| Extraordinary | | | | *************************************** |
| Ordinary | X | | | |
| N/A | (mark with x) | | 1 | - |
| Notes | The respondent came into complia | nce on May 29, 2007 | · | WAS CONTRACTED BY |
| Notes | The respondent came into compila | nec on way 25, 2007. | | Sign of Action |
| | | | Cubtotal 6 | \$0 |
| | | √ Enhancement* ed at the Total EB \$ Amount | Subtotal 6 | ΨΟ |
| Approx. | Cost of Compliance \$200 | at the Total EB \$7 mount | | |
| | | | man monomina a Suita | |
| SUM OF SUBTOTAL | S 1-7 | <i>i</i> | Final Subtotal | \$2,392 |
| | * | | e agent in a long of | |
| OTHER FACTORS A | S JUSTICE MAY REQUIRE | | Adjustment | \$0 |
| Reduces or enhances the Final S | Subtotal by the indicated percentage. (Enter number or | nly; e.g30 for -30%.) | 1 | |
| | | | ! : | |
| Notes | | | | |
| | | Einal Po | nalty Amount | \$2,392 |
| | | rillai Pe | nany Amount | Ψ2,332 |
| OTATUTODY LIMIT | AD HIGHMENT | Einal Acc | essed Penalty | \$2,392 |
| STATUTORY LIMIT | ADJUS I WIEINI | Fillal Asse | essed renalty | + 2,002 |
| DECEDRAL | | 20% Reduction | Adjustment | -\$478 |
| DEFERRAL | | ZU /0 | Aujustinent | Ψ.10 |
| | | | 7 | |
| Notes | Deferral offered for expedit | ted settlement. | | |
| 140003 | 20.01(3) 0.00.03 (3) 0.000 | | | |
| | the state of the s | | - | |

PAYABLE PENALTY

\$1,914

Docket No. 2007-0793-AIR-E

PCW

Policy Revision 2 (September 2002) PCW Revision April 26, 2007

Respondent Atmos Energy Corporation

Case ID No. 33521

Reg. Ent. Reference No. RN100542661

Media [Statute] Air Enf. Coordinator Miriam Hall

| | Component | | Enter Number Here | Adjust. | |
|------|--------------------------------|--|--------------------------|-----------------------|----|
| | NOVs | Written NOVs with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria) | 0 | 0% | |
| | | Other written NOVs | 1 | 2% | |
| | | Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria) | Ö | 0% | |
| | Orders | Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission | The second second second | 0% | |
| | Judgments | Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgements or consent decrees meeting criteria) | | 0% | |
| | and Consent Decrees | Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government | | 0% | |
| | Convictions | Any criminal convictions of this state or the federal government (number of counts) | Ö | 0% | |
| | Emissions | Chronic excessive emissions events (number of events) | Ö | 0% | |
| | Audits | Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted) | | 0% | |
| | , adno | Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed) | Ò | 0% | |
| | | Plea | se Enter Yes or No | <u>, 17 (53.54)</u> 7 | |
| | | Environmental management systems in place for one year or more | No | 0% | |
| | Other | Voluntary on-site compliance assessments conducted by the executive director under a special assistance program | No | 0% | |
| | Other | Participation in a voluntary pollution reduction program | No | 0% | |
| | | Early compliance with, or offer of a product that meets future state or federal government environmental requirements | and the second | 0% | |
| | | Adjustment F | ercentage (Su | ıbtotal 2) | 2% |
| epea | t Violator (Su | btotal 3) | | | |
| Ì | No | Adjustment F | Percentage (Su | ıbtotal 3) 🗌 | 0% |
| omp | liance History | Person Classification (Subtotal 7) | Fig. Frank | | |
| | Average Po | erformer Adjustment P | Percentage (Su | ıbtotal 7) 🗌 | 0% |
| omp | liance History | Summary | | Ti Ogo | |
| | Compliance History Notes | The penalty was enhanced for one unrelated NOV. | Augus des | | |

| Screening Date | 16-May-2007 | Docket No. 2007-0793-AIR-E | PCW |
|--|--|--|------------------------------------|
| | Atmos Energy Corporation | | Policy Revision 2 (September 2002) |
| Case ID No. | | | PCW Revision April 26, 2007 |
| Reg. Ent. Reference No. | RN100542661 | <i>'</i> | |
| Media [Statute] | Air | | AMANI CAMPAN |
| Enf. Coordinator | Miriam Hall | | COLUMNOS |
| Violation Number | 1 | | nna mara |
| Rule Cite(s) | 30 Tex. Admin. Code § 122.14((b)(2), and Tex | 5(2)(A), General Operating Permit No. 514, C Health & Safety Code § 382.085(b) | Condition |
| | | | |
| Violation Description | through June 3, 2006. Atmos E | al Deviation Report for the period December a nergy had an emissions event December 16 of submit a Semiannual Report . | 4, 2005 -21, 2005 |
| | · · | Bas | se Penalty \$10,000 |
| >> Environmental, Property a | | | |
| Release | Harm Major Moderate N | <i>A</i> inor | |
| OR Actual | | | |
| Potential | | Percent 0% | |
| | Commence of the property of the commence of th | For the many of the Co. Section (1977) The Table 1979. | |
| >>Programmatic Matrix | | | |
| Falsification | 1 | Minor Percent 25% | |
| | <u> </u> | reiteit 25/0 | |
| Matrix Notes | Less than 30% of the | ne rule requirement was met. Adjustment | \$7,500 |
| . (1998) (1998) (1994) (1995) (1994) | NG TRE VIII. II. 1852. LAIS IN THEIR STAIN LINE AND AN AND THE AND AN AND AND AND AND AND AND AND AND | | \$2,500 |
| Violation Events | | | |
| Number of Vi | olation Events 1 | 294 Number of violation da | ays |
| | daily | | - X |
| mark only one with an x | monthly quarterly semiannual annual single event x | Violation Ba | se Penalty \$2,500 |
| | One single e | vent is recommended. | |
| Economic Benefit (EB) for th | nis violation | Statutory Limit To | est |
| Estimate | ed EB Amount | \$5 Violation Final Pe | nalty Total \$2,300 |
| - International Control of Contro | • | opper-porter | |
| | This v | violation Final Assessed Penalty (adjusted | I for limits) \$2,300 |

| Reg. Ent. Reference No. Media Violation No. | a Air | | The state of the s | | | Percent Interest | Years of Depreciation |
|--|---|-----------------------|--|---|--|---|---|
| | Item Cost | Date Required | Final Date | Yrs | Interest Saved | Onetime Costs | EB Amount |
| Item Description Delayed Costs | | | i sa privinte alleni 1774 - Taliana Santan | | nici (por eller delle Descripción (como | | |
| Equipment | 1000.0000000000000000000000000000000000 | | | 0,0 | \$0 | \$0 | \$0 |
| Buildings | 1 (0.000 DE POLOMOTO) | | Marine definition de l'incrette | 0.0 | \$0 | \$0 | \$0 |
| Other (as needed) | | | | 0,0 | \$0 | \$0 | \$0 |
| Engineering/construction | | | | 0,0 | \$0 | \$0 | \$0 |
| Land | | | retaggierati ber | 0.0 | \$0 | n/a | \$0 |
| Record Keeping System | 84 - \$ 11 <u>14 1</u> 1 | | | 0.0 | \$0 | n/a | \$0 |
| Training/Sampling | | | | 0,0 | \$0 | n/a | \$0 |
| Remediation/Disposal | | 1 | hateria esta hariatziaria esta esta del | 0,0 | \$0 | n/a | \$0 |
| Permit Costs | | | فتنسخ تبقل تراس نييني | 0,0 | \$0 | n/a | \$0 |
| Other (as needed) | \$100 | 3-Jul-2006 | 29-May-2007 | 0.9 | \$5 | n/a | \$5 |
| Notes for DELAYED costs | The e | estimated cost for su | ubmitting the devia | ation rep | ort from due date | to actual compliance | e date. |
| Avoided Costs Disposal Personnel Inspection/Reporting/Sampling | | | | ntering 0.0 0.0 0.0 | item (except for \$0 \$0 \$0 \$0 | one-time avoided o | \$0 \$0 \$0 \$0 |
| Avoided Costs Disposal Personnel Inspection/Reporting/Sampling Supplies/equipment | | | | ntering 0.0 0.0 0.0 0.0 | item (except for \$0 \$0 \$0 \$0 \$0 \$0 | one-time avoided o | \$0 \$0 \$0 \$0 \$0 |
| Avoided Costs Disposal Personnel Inspection/Reporting/Sampling Supplies/equipment Financial Assurance [2] | | | | ntering 0.0 0.0 0.0 0.0 0.0 0.0 | item (except for \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 | one-time avoided c \$0 \$0 \$0 \$0 \$0 | \$0 \$0 \$0 \$0 \$0 \$0 |
| Avoided Costs Disposal Personnel Inspection/Reporting/Sampling Supplies/equipment Financial Assurance [2] ONE-TIME avoided costs [3] | | | | ntering 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 | item (except for \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 | so s | \$0 \$0 \$0 \$0 \$0 \$0 \$0 |
| Avoided Costs Disposal Personnel Inspection/Reporting/Sampling Supplies/equipment Financial Assurance [2] | | | | ntering 0.0 0.0 0.0 0.0 0.0 0.0 | item (except for \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 | one-time avoided c \$0 \$0 \$0 \$0 \$0 | \$0 \$0 \$0 \$0 \$0 \$0 |
| Avoided Costs Disposal Personnel Inspection/Reporting/Sampling Suppiles/equipment Financial Assurance [2] ONE-TIME avoided costs [3] | | | | ntering 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 | item (except for \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 | so s | \$0 \$0 \$0 \$0 \$0 \$0 \$0 |

| Respondent Almos Energy Corporation Case ID No. 33521 Reg. Ent. Reference No. RN100842651 Media Statute Air Ent. Coordinator Miniam Hall Violation Number Rule Cite(s) 30 Tex. Admin. Code § 122.148(5)(C). General Operating Permit No. 514. Condition (b)(2), and Tex. Health & Safety Code § 382.055(b) Violation Description Percent D% Serviconmental, Property and Human Health Matrix Harm Rolease Major Moderate Minor Percent D% Serviconmental, Property and Human Health Matrix Harm Rolease Major Moderate Minor Percent D% Serviconmental Property and Human Health Matrix Harm Rolease Major Moderate Minor Percent D% Serviconmental Property Matrix Notes Major Moderate Minor Percent D% Wiolation Events S3,500 Violation Events S4,000 S4,000 S4,000 S4,000 S4,000 S4,000 S4,000 S4,000 S4,000 S4,000 S4,000 S4,000 Economic Benefit (EB) for this violation Estimated EB Amount 32 Violation Final Penalty Total 350 This violation Final Assessed Penalty (adjusted for limits) 350 This violation Final Assessed Penalty (adjusted for limits) 350 This violation Final Assessed Penalty (adjusted for limits) 350 This violation Final Assessed Penalty (adjusted for limits) 350 This violation Final Assessed Penalty (adjusted for limits) 350 This violation Final Assessed Penalty (adjusted for limits) 350 This violation Final Assessed Penalty (adjusted for limits) 350 This violation Final Assessed Penalty (adjusted for limits) 350 This violation Final Assessed Penalty (adjusted for limits) 350 This violation Final Assessed Penalty (adjusted for limits) 350 This violation Final Assessed Penalty (adjusted for limits) 350 This violation Final Assessed Penalty (adjusted for limits) 350 This violation Final Assessed Penalty (adjusted for limits) 350 This violation Final Assessed Penalty (adjusted for limits) 350 This violation Final Assessed Penalty (adjusted for lim | Screeni | ng Date 16-May-2007 | Docl | ket No. 2007-0793-AIR-E | PCW |
|---|--|--|--|---|---|
| Reg. Ent. Reference No. RN1008436651 Media [Statute] Air Ent. Coordinator Miriam Hall Vlolation Number Rule Cite(s) 30 Tex. Admin. Code § 122.146(5)(C), General Operating Permit No. 514, Condition (b)(2), and Tex. Health & Safety Code § 382.055(b) Violation Description Violation Description Violation Description Release Major Moderate Minor Release Major Moderate Minor Percent 0% >>Programmatic Matrix Fatsification Major Moderate Minor Release Major Moderate Minor Actual Pedential Proteins Adjustment \$9,900 Violation Events Number of Violation Events 1, 111 Number of violation days daily moderaty one with a manual single event X One single event X Cone single event Is recommended. Economic Benefit (EB) for this violation Estimated EB Amount 52 Violation Final Penalty Total 535 | | | orporation | | Policy Revision 2 (September 2002) |
| Media [Statute] Air Enf. Coordinator Miriam Hall Violation Number 2 Rule Cite(s) 30 Tex. Admin. Code § 122.145(5)(C), General Operating Permit No. 514, Condition (b)(2), and Tex. Health & Safely Code § 382.085(b) Violation Description 2005 through December 3, 2006. Atmos Energy had an emissions event December 4, 21, 2005 but did not list the deviation on the Annual Compliance Certification. Base Penalty \$10,000 **Percent 0%* **Percent 1%* **Percent 1%* **Marrix Matrix Matrix Matrix More than 70% of the rule requirement was met. **Violation Events* **Notes** **Notes** **Number of Violation Events* **Number of Violation Events* **Number of Violation Events* **One single event is recommended.** **One single event is recommended.** **Economic Benefit (EB) for this violation Statutory Limit Test **Estimated EB Amount 52 Violation Final Penalty Total 532.** **Violation Final Penalty Total 532.** **Vio | Cas | e ID No. 33521 | | · · · · · · · · · · · · · · · · · · · | PCW Revision April 26, 2007 |
| Ent. Coordinator Mirlan Hall Violation Number 2 Rule Cite(s) Rule Cit | Reg. Ent. Refere | nce No. RN100542661 | | | |
| Violation Number 2 30 Tex. Admin. Code § 122.146(5)(C), General Operating Permit No. 514, Condition (b)(2), and Tex. Heath & Safety Code § 382.085(b) | Media [| Statute] Air | | | • |
| Rule Cite(s) So Tex. Adminic. Code § 122.146(5(c), General Operating Permit No. 514, Cendition (b)(2), and Tex. Health & Safety Code § 382.085(b) Violation Description Failed to submit a complete A Annual Compliance Certification for the period December 4, 2005 but did not list the deviation on the Annual Compliance Certification. Pailed to submit a complete Annual Compliance Certification for the period December 4, 2005 but did not list the deviation on the Annual Compliance Certification. Base Penalty | | | | | - |
| (b)(2), and Tex. Health & Safety Code § 382.085(b) Failed to submit a complete Annual Compliance Certification for the period December 4, 2005 through December 3, 2005. Almos Energy had an emissions event December 16-21, 2005 but did not list the deviation on the Annual Compliance Certification. Base Penalty \$10,000 **Percent 0%** **Percent 1%* **Percent 1%* **Matrix Percent 1%* **Matrix Notes More than 70% of the rule requirement was met. **Violation Events** **Number of Violation Events** **Number of Violation Events** **Number of Violation Events** **Number of Violation Events** **Violation Base Penalty \$100 **Single event is recommended.** **Economic Benefit (EB) for this violation Estimated EB Amount \$2 **Violation Final Penalty Total \$36 **Single Penalt | | | | | |
| Violation Description 2005 through December 3, 2006. Atmos Energy had an emissions event December 16-21, 2005 but did not list the deviation on the Annual Compliance Certification. Base Penalty | Rı | lle Cite(s) 30 Tex. Admir | Code § 122.146(5)(C), Gene (b)(2), and Tex. Health & S | eral Operating Permit No. 514, (afety Code § 382.085(b) | Condition |
| >> Environmental, Property and Human Health Matrix Harm OR Release Major Moderate Minor OR Actual Potential Potential Percent 0% >>Programmatic Matrix Falsification Major Moderate Minor Falsification Major Moderate Minor Adjustment Adjustment S9,900 \$100 Violation Events Number of Violation Events Number of Violation Events Matrix Notes More than 70% of the rule requirement was met. | Violation De | scription 2005 through D | ecember 3, 2006. Atmos Ene | rgy had an emissions event Ded | cember 16- |
| Alternative Actual Alternative Percent O% | | | | Ва | se Penalty \$10,000 |
| OR Actual Potential Percent 0% >>Programmatic Matrix Falsification Major Moderate Minor Falsification Major Moderate Minor Winor than 70% of the rule requirement was met. Adjustment S9,900 S100 Violation Events Number of Violation Events 1 1111 Number of violation days daily monthly quarterly quarterly quarterly quarterly single event x One single event is recommended. Economic Benefit (EB) for this violation Estimated EB Amount S2 Violation Final Penalty Total S52 | >> Environmental, P | 2002 To 1 2 Co. 20 20 20 20 20 20 20 20 20 20 20 20 20 | Harm | | *************************************** |
| Falsification Major Moderate Minor Matrix Notes | OR | Actual | William | Percent 0% | |
| Falsification Major Moderate Minor Matrix Notes | >>Programmatic Mat | TIV | | | |
| Matrix Notes More than 70% of the rule requirement was met. Adjustment \$9,900 S100 Violation Events Number of Violation Events 1 111 Number of violation days daily monthly quarterly semiannual annual single event x One single event is recommended. Economic Benefit (EB) for this violation Estimated EB Amount \$2 Violation Final Penalty Total \$92 | | | Moderate Minor | AMERICA TOTAL CO | |
| Notes Adjustment \$9,900 \$100 Violation Events Number of Violation Events 1 111 Number of violation days daily monthly quarterly semiannual annual single event x One single event is recommended. Economic Benefit (EB) for this violation Estimated EB Amount \$2 Violation Final Penalty Total \$92 | F | | | Percent 1% | |
| Violation Events Number of Violation Events | | Mo | ore than 70% of the rule requir | ement was met. | |
| Violation Events Number of Violation Events 1 111 Number of violation days daily monthly quarterly semiannual annual single event x One single event is recommended. Economic Benefit (EB) for this violation Estimated EB Amount \$2 Violation Final Penalty Total \$92 | · · · · · · · · · · · · · · · · · · · | er en de trada solution de la companya de la compa | and the second s | Adjustment | |
| Number of Violation Events 1 111 Number of violation days daily | | | | | \$100 |
| Number of Violation Events 1 111 Number of violation days daily | normonalusta esta hara aeri de de esta militaria egligigi. Egizie sa | en en mangamente i gert et gegen en paget a Killing | tres and the second of the second | Profesional and Administration of Agministration (Agministration) | |
| daily monthly quarterly semiannual annual single event x One single event is recommended. Economic Benefit (EB) for this violation Statutory Limit Test Estimated EB Amount \$2 Violation Final Penalty Total \$92 | Violation Events | Brodistae Samuelle (Ste Koostastan) | denid a Maria III i saasi madabbahala sa Istaa | . <u>Si na istradibili di Sina ang asalahibibili di ka</u> | in a sidhis Shikas d |
| monthly quarterly semiannual annual single event x One single event is recommended. Economic Benefit (EB) for this violation Statutory Limit Test Estimated EB Amount \$2 Violation Base Penalty \$100 Statutory Limit Test \$92 | Nu | mber of Violation Events | 1 | Number of violation d | lays |
| Conomic Benefit (EB) for this violation Statutory Limit Test | | daily | | | |
| One single event x One single event is recommended. Economic Benefit (EB) for this violation Statutory Limit Test Estimated EB Amount \$2 Violation Final Penalty Total \$92 | m | ark only one quarterly | | Violation Ba | ase Penalty \$10 |
| Economic Benefit (EB) for this violation Statutory Limit Test Estimated EB Amount \$2 Violation Final Penalty Total \$92 | 1 | The state of the s | X | | |
| Estimated EB Amount \$2 Violation Final Penalty Total \$92 | | | One single event is recor | nmended. | |
| LStilliated LD Allount | Economic Benefit (E | B) for this violation | | Statutory Limit T | [est |
| | | Estimated EB Amount | \$2 | Violation Final Po | enalty Total \$9 |
| This violation Final Assessed Penalty (adjusted for limits) \$\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\ | | | | | 1 |
| | | | <u></u> | 1.4 | d for limita) |

| | Atmos Energy | | semem w | OI N | sheet | | a trians de de desarre |
|--|------------------------------|-------------------------|--|---|---|--|--|
| Case ID No | 71 | | | | | | |
| eg. Ent. Reference No | | | | | | \$200 maritamentamentamentamentamentamentamentamen | n range de la company establishe de la company establishe de la company establishe de la company establishe de |
| Media | ı Air | | | | | Percent Interest | Years of |
| Violation No | . 2 | | | | | r ercent interest | Depreciation |
| | | | | | | 5.0 | 15 |
| | Item Cost | D-1- D-1-1 | Fig. Ch.4. | | tang managan d | Accompany of the contract of t | |
| And A section 1 | | Date Required | Final Date | Yrs | Interest Saved | Onetime Costs | EB Amount |
| ltem Description | No commas or \$ | | ะ นาให้และเพาะเป็นสล | | a di dia dia mandia ara | crimeship tittle (175 - 1 | of the second |
| • | 4 4 A A | | | | | | |
| Delayed Costs | on his way contributed a set | ecomogramers e mest nav | | | | | |
| Equipment | | | | 0,0 | \$0 | \$0 | \$0 |
| Buildings | CINCIPALITY OF A | | | 0.0 | \$0 | \$0 | \$0 |
| Other (as needed) | No TYPE OF THE ATTENDED | | Continue of the | 0.0 | \$0 | \$0 | \$0 |
| Engineering/construction | Part of the first | | | 0.0 | \$0 | \$0 | \$0 |
| Land | Percent of the | | | 0.0 | \$0 | n/a | \$0 |
| Record Keeping System | | | | 0.0 | \$0 | n/a | \$0 |
| Training/Sampling | | | Landau Carlos Ca | 0,0 | \$0 | n/a | \$0 |
| Remediation/Disposal | The Part Court | | Comparation of | 0,0 | \$0 | n/a | \$0 |
| Permit Costs | | | | 0,0 | \$0 | n/a | \$0 |
| | | | | | | | |
| Other (as needed) | \$100 | 2-Jan-2007 | 29-May-2007 | 0.4 | \$2 | n/a | \$2 |
| Other (as needed) Notes for DELAYED costs | | | | 0.4 | \$2 certification from | | \$2 |
| , , | The estimated | cost for submitting | an amended com | 0.4 pliance | \$2 | n/a | \$2 ompliance date. |
| Notes for DELAYED costs | The estimated | cost for submitting | an amended com | 0.4 pliance | \$2 | n/a due date to actual c | \$2 ompliance date. costs) |
| Notes for DELAYED costs Avoided Costs | The estimated | cost for submitting | an amended com | 0.4 pliance | \$2 | n/a due date to actual c | \$2 ompliance date. costs) |
| Notes for DELAYED costs Avoided Costs Disposal Personnel | The estimated | cost for submitting | an amended com | 0.4 | certification from litem (except for | n/a due date to actual cone-time avoided | \$2 ompliance date. costs) |
| Notes for DELAYED costs Avoided Costs Disposal Personnel | The estimated | cost for submitting | an amended com | npliance | certification from the control of th | due date to actual c | \$2 compliance date. costs) \$0 \$0 \$0 |
| Notes for DELAYED costs Avoided Costs Disposal Personnel nspection/Reporting/Sampling | The estimated | cost for submitting | an amended com | 0.4 notering 0.0 0.0 0.0 | \$2 certification from the control of | n/a due date to actual c one-time avoided \$0 \$0 \$0 | \$2 costs) \$0 \$0 \$0 \$0 \$0 \$0 |
| Notes for DELAYED costs Avoided Costs Disposal Personnel Inspection/Reporting/Sampling Supplies/equipment | The estimated | cost for submitting | an amended com | 0.4 notering 0.0 0.0 0.0 0.0 | item (except for \$0 \$0 \$0 \$0 \$0 \$0 | one-time avoided \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 | \$2 costs) \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$ |
| Notes for DELAYED costs AVOIDED COSTS Disposal Personnel Inspection/Reporting/Sampling Suppiles/equipment Financial Assurance [2] | The estimated | cost for submitting | an amended com | 0.4 npliance 10.0 ntering 0.0 0.0 0.0 0.0 0.0 0.0 | item (except for \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 | n/a due date to actual c one-time avoided \$0 \$0 \$0 \$0 \$0 \$0 | \$2 confliance date. costs) \$0 \$0 \$0 \$0 |
| Avoided Costs Avoided Costs Disposal Personnel Inspection/Reporting/Sampling Supplies/equipment Financial Assurance [2] ONE-TIME avoided costs [3] | The estimated | cost for submitting | an amended com | 0.4 | item (except for \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 | one-time avoided SO | \$2 costs) \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$ |
| Avoided Costs Avoided Costs Disposal Personnel Inspection/Reporting/Sampling Suppiles/equipment Financial Assurance [2] ONE-TIME avoided costs [3] Other (as needed) | The estimated | cost for submitting | an amended com | 0.4 | item (except for \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 | n/a due date to actual c one-time avoided \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 | \$2 costs) \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$ |

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Compliance History

| Customer | -/Respondent/Owner-Operator: | CN602730319 | Atmos Energy Co | rporation | Classification: AVERAGE | Rating: 3.02 |
|------------------------|---|--|---|--|--|---|
| Regulated | d Entity: | RN100542661 | NEW YORK STO COMPRESSOR | | Classification: AVERAGE | Site Rating: 0.43 |
| ID Numbe | er(s): | AIR OPERATING AIR OPERATING AIR NEW SOUR AIR NEW SOUR | S PERMITS CE PERMITS CE PERMITS | PERMIT ACCOUN AFS NUM | | CL0007O 443 CL0007O 4807700002 |
| Location: | | 1777 LONE STA | R RD, HENRIETTA, | TX, 76365 | Rating Date: September 01 | 06 Repeat Violator: N |
| TCEQ Re | egion: | REGION 03 - AB | ILENE | | | |
| Date Con | npliance History Prepared: | May 24, 2007 | | | | |
| Agency D | Decision Requiring Compliance History: | Enforcement | | | | |
| Complian | nce Period: | May 24, 2002 to | May 24, 2007 | | | |
| TCEQ St | aff Member to Contact for Additional In | formation Regarding | this Compliance Hist | ory | | |
| Name: | Miriam Hall | Ph | none: (512) 2: | 39-1044 | | |
| | • | Site C | Compliance Histo | ry Components | | |
| 1. Has th | e site been in existence and/or operation | on for the full five yea | r compliance period? | Yes | | · , |
| 2. Has th | ere been a (known) change in ownersh who is the current owner? | | | l? Yes | ergy Corporation | |
| 4. if Yes | , who was/were the prior owner(s)? | | | | Pipeline Company, Inc. Company dba TXU Lone Star Company | _ |
| 5. When | did the change(s) in ownership occur? | • | | 10/01/200 | 4 | |
| Compo | nents (Multimedia) for the Site : | | | * | | |
| A. ² | Final Enforcement Orders, court judg | gements, and consen | t decrees of the state | of Texas and the fede | ral government. | |
| | N/A | • | | | | |
| В. | Any criminal convictions of the state | of Texas and the fed | eral government. | | | |
| | N/A | | | , | | • |
| C. ` | Chronic excessive emissions events | • 1 | | | | |
| | N/A | | | | | |
| D. | The approval dates of investigations | . (CCEDS Inv. Track. | No.) | | | |
| | 1 01/22/2003 (21519) 2 01/23/2004 (258954) 3 01/19/2005 (346197) 4 01/10/2006 (451195) | | | | | |
| | 5 02/24/2006 (454309) 6 04/07/2006 (449642) 7 04/20/2007 (555838) | | | | | |
| E. | Written notices of violations (NOV). | (CCEDS Inv. Track. N | lo.) | | | |
| | Date: 02/24/2006 (454 | 309) | | | | |
| | Self Report? NO | | | Classification: | Moderate | |
| | 30 TAC 0 Description: New York Criteria s | et forth in of 30 Tex. A | oter B 116.115(b)(2)(r Station, was not in Admin. Code 101.222 | H)(i) compliance with the De t(b) and therefore is no ons brought for these e | t subject to an | |
| F. | Environmental audits. | | | | | |

Type of environmental management systems (EMSs).

G.

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



| IN THE MATTER OF AN | § | BEFORE THE |
|--------------------------|---|-----------------------|
| ENFORCEMENT ACTION | § | |
| CONCERNING | § | TEXAS COMMISSION ON |
| ATMOS ENERGY CORPORATION | § | |
| RN100542661 | § | ENVIRONMENTAL QUALITY |

AGREED ORDER DOCKET NO. 2007-0793-AIR-E

I. JURISDICTION AND STIPULATIONS

At its ______ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Atmos Energy Corporation ("Atmos Energy") under the authority of Tex. Health & Safety Code ch. 382 and Tex. Water Code ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and Atmos Energy appear before the Commission and together stipulate that:

- 1. Atmos Energy owns and operates a natural gas storage station at 1777 Lone Star Road in Henrietta, Clay County, Texas (the "Plant").
- 2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
- 3. The Commission and Atmos Energy agree that the Commission has jurisdiction to enter this Agreed Order, and that Atmos Energy is subject to the Commission's jurisdiction.
- 4. Atmos Energy received notice of the violations alleged in Section II ("Allegations") on or about April 24, 2007.
- 5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Atmos Energy of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
- 6. An administrative penalty in the amount of Two Thousand Three Hundred Ninety-Two Dollars (\$2,392) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Atmos Energy has paid One Thousand Nine Hundred Fourteen Dollars (\$1,914) of the administrative penalty and Four Hundred Seventy-Eight Dollars (\$478) is deferred

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contingent upon Atmos Energy's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If Atmos Energy fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require Atmos Energy to pay all or part of the deferred penalty.

- 7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
- 8. The Executive Director of the TCEQ and Atmos Energy have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
- 9. The Executive Director recognizes that on May 29, 2007, Atmos Energy submitted a revised Annual Compliance Certification and Deviation Reports for the period December 4, 2005 through December 3, 2006 as a corrective measure at the Plant.
- 10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that Atmos Energy has not complied with one or more of the terms or conditions in this Agreed Order.
- 11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
- 12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, Atmos Energy is alleged to have:

- 1. Failed to submit a Semiannual Deviation Report for the period December 4, 2005 through June 3, 2006, in violation of 30 Tex. Admin. Code § 122.145(2)(A), General Operating Permit No. 514, Condition (b)(2), and Tex. Health & Safety Code § 382.085(b), as documented during a record review conducted on April 3, 2007. Specifically, Atmos Energy had an emissions event December 16-21, 2005 but did not submit a Semiannual Report.
- 2. Failed to submit a complete Annual Compliance Certification for the period December 4, 2005 through December 3, 2006, in violation of 30 Tex. ADMIN. CODE § 122.146(5)(C), General Operating Permit No. 514, Condition (b)(2), and Tex. Health & Safety Code § 382.085(b), as documented during a record review conducted on April 3, 2007. Specifically, Atmos Energy had an emissions event December 16-21, 2005 but did not list the deviation on the Annual Compliance Certification.

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III. DENIALS

Atmos Energy generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Atmos Energy pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Atmos Energy's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations, which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Atmos Energy Corporation, Docket No. 2007-0793-AIR-E" to:

Financial Administration Division, Revenues Section Attention: Cashier's Office, MC 214 Texas Commission on Environmental Quality P.O. Box 13088 Austin, Texas 78711-3088

- 2. The provisions of this Agreed Order shall apply to and be binding upon Atmos Energy. Atmos Energy is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
- 3. This Agreed Order, issued by the Commission, shall not be admissible against Atmos Energy in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
- 4. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
- 5. Under 30 Tex. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to Atmos Energy, or three days after the date on which the Commission mails notice of the Order to Atmos Energy, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

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Atmos Energy Corporation

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

| For the | Commission | | |
|---------------------|---|--|-------------|
| For the | De Sallie Executive Director | 16/18/07 Date | |
| attached and cor | dersigned, have read and understand the attach Agreed Order on behalf of the entity indicated ditions specified therein. I further acknowled amount, is materially relying on such representa | d below my signature, and I do agree to the ge that the TCEQ, in accepting payment | e terms |
| timely p | iderstand that failure to comply with the Orderinal ay the penalty amount, may result in: A negative impact on compliance history; Greater scrutiny of any permit applications submarked and this case to the Attorney General's penalties, and/or attorney fees, or to a collection forceased penalties in any future enforcement ac Automatic referral to the Attorney General's Of TCEQ seeking other relief as authorized by law. | nitted; Office for contempt, injunctive relief, ad agency; etions; Tice of any future enforcement actions; and | ditional |
| In addit | on, any falsification of any compliance docume | | |
| , | b Benneth Printed or typed) zed Representative of | Manager, Environmen | tal Service |

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

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